

Message Text

UNCLASSIFIED

PAGE 01 KABUL 04321 281240Z
ACTION NEA-11

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-01 INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04
OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 PA-02 /088 W
-----008331 281248Z /50

R 280828Z MAY 78
FM AMEMBASSY KABUL
TO SECSTATE WASHDC 8243
INFO AMEMBASSY ISLAMABAD
AMEMBASSY MOSCOW
AMEMBASSY NEW DELHI
AMEMBASSY TEHRAN

UNCLAS KABUL 4321

E.O. 11652: N/A
TAGS: EFIN, AF
SUBJECT: THE MONEY BAZAAR: FINANCE MINISTRY ANNOUNCEMENT

1. THE MINISTRY OF FINANCE ANNOUNCED MAY 23 THAT BY OPENING LETTERS OF CREDIT THROUGH AUTHORIZED BANKS, IMPORTERS AND BUSINESSMEN MAY PROCURE FOREIGN EXCHANGE EITHER FROM THE BANKS OR FROM THE FREE MARKET MONEY BAZAAR. BAZAAR DEALERS ALSO REPORT THAT THE BANKS HAVE INCREASED THE DAILY LIMITS ON WITHDRAWALS OF AFGHANIS FROM 10,000 AFGHANIS (ABOUT \$250) TO ONE MILLION AFGHANIS (ABOUT \$25,000).

2. COMMENT: THE FREE MARKET MONEY BAZAAR IS AN EXTRA-LEGAL, BUT INTEGRAL, PART OF THE FINANCIAL SECTOR OF AFGHANISTAN, PROBABLY FINANCING MORE COMMERCIAL TRANSACTIONS THAN THE GOVERNMENT-OWNED BANKS. SINCE THE CHANGE OF GOVERNMENT, THE BAZAAR'S ACTIVITIES HAVE BEEN HAMPERED BY BANK RESTRICTIONS ON WITHDRAWALS AND UNCERTAINTY WITH REGARD TO ITS FUTURE. WHILE THE ULTIMATE SURVIVAL OF THIS CAPITALISTIC SUPPLY AND DEMAND INSTITUTION MAY BE IN DOUBT, THE GOVERNMENT'S RECOGNITION OF THE BAZAAR'S ROLE IN CURRENCY EXCHANGE SHOULD GIVE A BOOST TO TRADERS
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 KABUL 04321 281240Z

AND BUSINESSMEN. IN DEALING WITH THE BAZAAR, THE GOVERNMENT SEEMS TO HAVE DECIDED, AT LEAST TEMPORARILY, ON PRAGMATISM RATHER THAN IDEOLOGY.
ELIOT

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MONEY, FINANCE, REPORTS, INTELLIGENCE ASSESSMENTS, ECONOMIC PROGRAMS, CURRENCY CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KABUL04321
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780225-0189
Format: TEL
From: KABUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780510/aaaaaihu.tel
Line Count: 59
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ad254693-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2508411
Secure: OPEN
Status: NATIVE
Subject: THE MONEY BAZAAR: FINANCE MINISTRY ANNOUNCEMENT
TAGS: EFIN, AF
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/ad254693-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014